

# Index Sheet

Ope Id No: 02220800

School Name: CAREER & TECHNOLOGY ED CTRS LICKING CTY

Subfolder: Program Review/FPRD

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Rec Date:

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School Year: 2013

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DC



March 1, 2013

Dr. Joyce Malainy  
Career & Technology Education Centers of Licking County  
150 Price Road  
Newark, OH 43055-3399

Certified Mail  
Return Receipt Requested  
7012 1640 0000 0215 6760

RE: **Final Program Review Determination**  
OPE ID: 02220800  
PRCN: 2013-1-05-28103

Dear Dr. Malainy:

The U.S. Department of Education's (Department's) School Participation Division – Chicago/Denver issued a program review report on November 26, 2012 covering Career & Technology Education Centers of Licking County's (CTEC) administration of programs authorized by Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs), with a specific focus on programs not fully approved by both your accrediting agency and the State of Ohio prior to disbursing financial aid to students. CTEC's final response was received on January 7, 2013. A copy of the program review report (and related attachments) and CTEC's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by CTEC upon request. Additionally, this Final Program Review Determination (FPRD), related attachments, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after this FPRD is issued.

**Purpose:**

Final determinations have been made concerning all of the outstanding findings of the program review report. The purpose of this letter is to: (1) identify liabilities resulting from the findings of this program review report, (2) provide instructions for payment of liabilities to the Department, (3) notify the institution of its right to appeal and (4) close the review.

The total liabilities due from the institution from this program review are \$89,158.48.

This final program review determination contains detailed information about the liability determination for all findings.

**Protection of Personally Identifiable Information (PII):**

PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth).

**Federal Student Aid**  
An OFFICE of the U.S. DEPARTMENT of EDUCATION  
School Participation Division – Chicago/Denver  
500 W. Madison, Suite 1576, Chicago, IL 60661  
StudentAid.gov

The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the finding in the attached report does not contain any student PII. Instead, the finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample.

#### Appeal Procedures:

This constitutes the Department's FPRD with respect to the liabilities identified from the November 26, 2012 program review report. If CTEC wishes to appeal to the Secretary for a review of monetary liabilities established by the FPRD, the institution must file a written request for an administrative hearing. The Department must receive the request no later than 45 days from the date CTEC receives this FPRD. An original and four copies of the information CTEC submits must be attached to the request. The request for an appeal must be sent to:

Ms. Mary E. Gust, Director  
Administrative Actions and Appeals Service Group  
U.S. Department of Education  
Federal Student Aid/PC  
830 First Street, NE - UCP3, Room 84F2  
Washington, DC 20002-8019

CTEC's appeal request must:

- (1) indicate the findings, issues and facts being disputed;
- (2) state the institution's position, together with pertinent facts and reasons supporting its position;
- (3) include all documentation it believes the Department should consider in support of the appeal. An institution may provide detailed liability information from a complete file review to appeal a projected liability amount. Any documents relative to the appeal that include PII data must be redacted except the student's name and last four digits of his / her social security number (please see the attached document, "Protection of Personally Identifiable Information," for instructions on how to mail "hard copy" records containing PII); and
- (4) include a copy of the FPRD. The program review control number (PRCN) must also accompany the request for review.

If the appeal request is complete and timely, the Department will schedule an administrative hearing in accordance with § 487(b)(2) of the HEA, 20 U.S.C. § 1094(b)(2). The procedures followed with respect to CTEC's appeal will be those provided in 34 C.F.R. Part 668, Subpart H. **Interest on the appealed liabilities shall continue to accrue at the applicable value of funds rate, as established by the United States Department of Treasury, or if the liabilities are for refunds, at the interest rate set forth in the loan promissory note(s).**

**Record Retention:**

Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. §§ 668.24(e)(1), (e)(2), and (e)(3).

The Department expresses its appreciation for the courtesy and cooperation extended during the review. If the institution has any questions regarding this letter, please contact Jeremy Early at 312-730-1484. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely,

(b)(6)

Douglas Parrott  
Division Director

Enclosure:  
Protection of Personally Identifiable Information

cc: Mrs. Christine Westbrook, Adult Ed/Financial Aid Assistant  
Ohio Board of Regents  
Ohio Department of Education

Prepared for  
**Career & Technology Education  
Centers of Licking County**

**Federal Student Aid**  
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OPE ID: 02220800  
PRCN: 2013-1-05-28103

Prepared by  
U.S. Department of Education  
Federal Student Aid  
School Participation Division – Chicago/Denver

Final Program Review Determination  
March 1, 2013

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**A. Institutional Information**

Career & Technology Education Centers of Licking County

150 Price Road

Newark, OH 43055-3399

Type: Public

Highest Level of Offering: Non-Degree 2 Years (1800-2699 hours)

Accrediting Agency: North Central Association Commission on Accreditation and  
School Improvement - NCACASI

Current Student Enrollment: 654

% of Students Receiving Title IV: 94%

Title IV Participation (Postsecondary Education Participants System):

Federal Pell Grant (Pell Grant)

2010-2011

\$509,140.00

## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted an off-site program review at Career & Technology Education Centers of Licking County (C-TEC). The review was conducted by Jeremy Early.

The focus of the review was ineligible programs discovered during the resolution of a complaint, as well as self-reported by C-TEC.

During the course of resolving a complaint, the Department determined C-TEC awarded Title IV Student Financial Aid to students during the 2011-2012 academic year for both the Industrial Maintenance and Facility Maintenance certificate programs. Both were denied during the recertification process due to a lack of accreditation, and therefore both programs were never eligible for Title IV purposes.

In a letter dated October 9, 2012, C-TEC indicates additional programs were incorrectly awarded aid based on approval granted by both their accreditation agency and state authorizing board.

### **Disclaimer:**

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning C-TEC's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve C-TEC of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.



### **C. Findings and Final Determinations**

The program review report finding requiring further action is summarized below. At the conclusion of the finding is a summary of C-TEC's response to the finding, and the Department's final determination for that finding. A copy of the program review report issued on November 26, 2012 is also attached (Appendix D).

#### **Finding 1, Ineligible Program – Approval Requirements Not Met**

**Citation Summary:** *§ 668.14 states an institution may participate in any Title IV only if the institution enters into a written program participation agreement with the Secretary.*

*By entering into a program participation agreement, an institution agrees that it will establish and maintain such administrative and fiscal procedures and records as may be necessary to ensure proper and efficient administration of funds received from the Secretary or from students under the Title IV, HEA programs, together with assurances that the institution will provide, upon request and in a timely manner, information relating to the administrative capability and financial responsibility of the institution to the Secretary, including the nationally recognized accrediting agency that accredits or pre-accredits the institution or any of the institution's branch campuses, other locations, or educational programs and the State agency that legally authorizes the institution and any branch campus or other location of the institution to provide postsecondary education.*

**Noncompliance Summary:** *During the course of resolving a complaint that was lodged with the Department, it was determined C-TEC awarded Title IV Student Financial Aid to students during the 2011-2012 academic year for both the Industrial Maintenance and Facility Maintenance certificate programs. Both were denied during the recertification process due to a lack of accreditation, and therefore these two programs were never eligible for Title IV purposes.*

*Though both programs were listed in the 2011-2012 C-TEC Student Handbook under the umbrella of Multi-craft Maintenance, each program awarded students for a different number of hours (both above the approved amount for Multi-craft Maintenance at 810 clock hours), and both programs lead to different credentials based on different standardized final exams. In addition, C-TEC asked during the recertification process that both programs be listed separately, recognizing they are two different programs. Because both programs were denied by the recertification process due to a lack of accreditation approval, C-TEC never had authorization to award Title IV Student Financial Aid to students for either certificate program.*

*The Department also discovered students enrolled in the Heavy Truck Mechanics program during the 2010-2011 award year were awarded based on an incorrect number of clock hours. This program had been approved by the Department for 720 clock hours*

*but students were awarded at 900 clock hours. The State of Ohio approved a clock hour increase to 900 clock hours in March 2010 but accreditation approval did not occur until June 24, 2011. Therefore, all students enrolled during the 2010-2011 academic year should have been awarded based on the previously-approved 720 clock hours.*

*Finally, in a letter to the Department dated October 9, 2012, C-TEC shared internal findings regarding all programs mentioned above, as well as the Medical Assistance Program. This program was approved in 2009 by the Ohio Board of Regents at 1,130 clock hours and students were awarded at that level. However, accreditation and Department approval was only for 930 clock hours.*

**Required Action Summary:** *Due to the regulatory requirements regarding approved programs, C-TEC must perform a file review of all students enrolled in all programs during the 2009-2010, 2010-2011 and 2011-2012 award years. They must determine whether any student received a disbursement for an ineligible program.*

*C-TEC must determine if each program was properly approved for students enrolled during each academic year to have received Title IV assistance, and if so, for how many clock hours and for within what time frame. They must then examine if any student was improperly awarded. The results of its file review must be presented in spreadsheet format, including the following information:*

- 1. Program Name;*
- 2. Student name;*
- 3. Last four digits of student Social Security Number;*
- 4. Award Year (2009-2010, 2010-2011 or 2011-2012);*
- 5. Date of each disbursement;*
- 6. Type of Disbursement and amount by program (Pell Grant, Direct Loan);*
- 7. Correct Disbursement due to each student by academic year and program;*
- 8. Potential over- and under-award*
- 9. Comments that are relevant to the finding.*

*In addition, C-TEC must include copies of the student's full academic file, account ledger and documentation of any funds paid back to the Department after completion of the file review. C-TEC must also provide documentation of all accreditation and state approvals for each program and each academic year.*

*If C-TEC believes the information previously submitted to the Department sufficiently responds to any of this request, they should note so in their response.*

*Liabilities resulting from the improper disbursement of Title IV funds will be assessed in the final program review determination letter.*

**C-TEC's Response:** In its January 2, 2013 response (Appendix D to the FPRD), C-TEC stated its continued cooperation with the Department in self-reporting issues concerning compliance with administration of Title IV financial aid. C-TEC completed a full file review of all programs during the 2009-2010, 2010-2011 and 2011-2012 award years and provided the summary of those findings to the Department in their response. Their review identified over-awards in the following programs: Multi-Craft Maintenance, Heating, Ventilation & Air Conditioning (HVAC), Heavy Truck Mechanics, Professional Landscape and Nursery Training (PLANT) and Medical Assisting.

In addition, corrective actions taken to date by the institution include; 1) a cease and desist of the non-accredit Industrial Maintenance and Facility Maintenance Programs and a return and transfer of students to the 810 hour accredited Multi-Craft Maintenance Program; 2) C-TEC has aligned all programs with the State of Ohio Board of Regents, the accrediting agency, NCA-CASI, and with the current E-CAR; 3) new internal procedures have been establish regarding program approvals/changes documentation and records control; 4) a new annual internal auditing procedures has been established for all Title IV procedures; and 5) personnel changes were initiated starting in August 2012 with a new financial aid administrator being hired and the previous administrator no longer involved with financial aid.

**Final Determination:** The Department determined C-TEC awarded Title IV Student Financial Aid to students during the 2011-2012 academic year for both the Industrial Maintenance and Facility Maintenance certificate programs. Both were previously denied during the recertification process due to a lack of accreditation, and therefore both programs were never eligible for Title IV purposes.

Though both programs were listed in the 2011-2012 C-TEC Student Handbook under the umbrella of Multi-craft Maintenance, each program awarded students for a different number of hours (both above the approved amount for Multi-craft Maintenance certificate program at 810 clock hours), and both programs led to different credentials based on different standardized final exams. In addition, C-TEC asked during the recertification process that both programs be listed separately, recognizing they are two different programs. Because both programs were denied by the recertification process due to a lack of accreditation approval, C-TEC never had authorization to award Title IV Student Financial Aid to students for either certificate program. Therefore, all students awarded in this program during the 2011-2012 award year are considered ineligible for all funds.

C-TEC further identified students enrolled in the Multi-craft Maintenance program from the 2009-2010 and 2010-2011 award years as having been over-awarded based on approved hours. The program was approved for 810 hours but each student was awarded for additional clock hours beyond that amount.

In addition, the file review identified improper awarding based on unapproved increases in clock-hours by the accrediting agency and State of Ohio for the following programs: HVAC, PLANT, Heavy Truck Mechanics and Medical Assisting.

Specifically, students were awarded for the following number of hours:

<b>Program</b>	<b>Approved Clock Hours</b>	<b>Clock Hours Awarded</b>	<b>(Difference)</b>
HVAC	810	870	60
PLANT	720	776	56
Heavy Truck Mechanics	720	900	165
Medical Assisting	900	1,130	230

The Department reviewed every fifth student from the file review submitted by C-Tec to determine whether the Department would accept the file review of the remaining student files conducted by the institution.

During this review, the Department found one error. For student Ronald Albright, the institution listed the student had been awarded \$5,112.00 in a Pell Grant. Their review indicated the student was over-awarded \$297.00 and should have been awarded \$4,815.00. However, records indicate that adjustment had already been made and thus, should not be counted toward the total liabilities owed back to the Department.

Based on only one error, the Department accepted the file review submitted by the institution.

The total amount of Pell Grant liabilities for this finding is \$86,715.00.

The total amount of Direct Loan funds (subsidized and unsubsidized) disbursed to students who were ineligible during the 2011-2012 award year is \$61,095.00. The estimated actual loss for the ineligible loans is based on the most recent sector default rate available for institutions such as C-TEC. As a result, the estimated actual loss that C-TEC must pay to the Department for the ineligible loans is \$1,287.37. A copy of the results of that calculation is included as Appendix B.

C-TEC is also liable for the cost of funds related to all ineligible Pell Grant disbursements. Appendix C identifies \$1,156.11 as the cost of funds due for the total amount of ineligible Pell Grant disbursements.

**D. Summary of Liabilities**

The total amount calculated as liabilities from the findings in the program review determination is as follows.

<b>Established Liabilities</b>		
<b>Liabilities</b>	<b>Pell (Closed Award Year)</b>	<b>DL / FFEL</b>
Finding 1, Ineligible Program – Approval Requirements Not Met	\$86,715.00	\$1,287.37
<b>Subtotal 1</b>	<b>\$86,715.00</b>	<b>\$1,287.37</b>
Interest/SA	\$1,156.11	\$0.00
Excess Cash	\$0.00	\$0.00
<b>Subtotal 2</b>	<b>\$1,156.11</b>	<b>\$0.00</b>
<b>TOTAL</b>	<b>\$87,871.11</b>	<b>\$1,287.37</b>
<b>Payable To:</b>		
Department	\$87,871.11	\$1,287.37

In lieu of requiring the institution to assume the risk of default by purchasing the ineligible loan from the holder, the Department has asserted a liability not for the loan amount, but rather for the estimated actual or potential loss that the government may incur with respect to the ineligible loan or loan amount. The estimated actual loss to the Department

that has resulted or will result from those ineligible loans is based on the most recent sector default rate available for institutions such as C-TEC

## **E. Payment Instructions**

### **Liabilities Owed to the Department \$1,000 or More but Less Than \$100,000**

C-TEC owes to the Department \$89,158.48. Payment must be made by forwarding a check made payable to the "U.S. Department of Education" to the following address within 45 days of the date of this letter:

U.S. Department of Education  
P.O. Box 979026  
St. Louis, MO 63197-9000

Remit checks only. Do not send correspondence to this address.

***Payment must be made via check and sent to the above Post Office Box. Payment and/or adjustments made via G5 will not be accepted as payment of this liability. Instead, the school must first make any required adjustments in COD as required by the applicable finding(s) and Section II – Instructions by Title IV, HEA Program (below), remit payment, and upon receipt of payment the Department will apply the funds to the appropriate G5 award (if necessary).***

The following identification data must be provided with the payment:

Amount:	\$89,158.48
DUNS:	075033043
TIN:	310793684
Program Review Control Number:	2013-1-05-28103

### **Terms of Payment**

As a result of this final determination, the Department has created a receivable for this liability and payment must be received by the Department within 45 days of the date of this letter. If payment is not received within the 45-day period, interest will accrue in monthly increments from the date of this determination, on the amounts owed to the Department, at the current value of funds rate in effect as established by the Treasury Department, until the date of receipt of the payment. C-TEC is also responsible for repaying any interest that accrues. If you have any questions regarding interest accruals or payment credits, contact the Department's Accounts Receivable Group at (202) 245-8080 and ask to speak to C-TEC's account representative.

If full payment cannot be made within 45 days of the date of this letter, contact the Department's Accounts Receivable Group to apply for a payment plan. Interest charges and other conditions apply. Written request may be sent to:

U.S. Department of Education  
OCFO Financial Management Operations  
Accounts Receivable Group  
550 12th Street, S.W., Room 6114  
Washington, DC 20202-4461

If within 45 days of the date of this letter, C-TEC has neither made payment in accordance with these instructions nor entered into an arrangement to repay the liability under terms satisfactory to the Department, the Department intends to collect the amount due and payable by administrative offset against payments due C-TEC from the Federal Government. **C-TEC may object to the collection by offset only by challenging the existence or amount of the debt.** To challenge the debt, C-TEC must **timely appeal** this determination under the procedures described in the "Appeal Procedures" section of the cover letter. The Department will use those procedures to consider any objection to offset. **No separate appeal opportunity will be provided.** If a timely appeal is filed, the Department will defer offset until completion of the appeal, unless the Department determines that offset is necessary as provided at 34 C.F.R. § 30.28. This debt may also be referred to the Department of the Treasury for further action as authorized by the Debt Collection Improvement Act of 1996.

**Liabilities Owed to the Department in the case of Title IV Grants**

Finding 1, Ineligible Program – Approval Requirements Not Met  
Appendices: A

C-TEC must repay:

Pell Grant - Closed Award Year			
Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year
\$39,352.00	\$261.22	Pell Grant	2011-2012
\$28,199.00	\$426.66	Pell Grant	2010-2011
\$19,164.00	\$468.23	Pell Grant	2009-2010
Total Principal	Total Interest		
\$86,715.00	\$1,156.11		

The disbursement record for each student awarded a Pell Grant identified in Appendix A to the applicable finding(s) must be adjusted in the Common Origination and Disbursement (COD) system.

**Adjustments in COD must be completed prior to remitting payment to the Department. Payment cannot be accepted via G5. Once the Department receives**



**payment via check, the Department will apply the principal payment to the applicable G5 award. The interest will be applied to the general program account.**

**A copy of the adjustment to each student's COD record must be sent to Jeremy Early within 45 days of the date of this letter.**

## F. Appendices

### Appendix A: Finding 1, Ineligible Program – Approval Requirements Not Met

Student Number	Student's Name	SSN (Last 4)	Award Year	Program	Approved Program Length/ Clock Hours Awarded	Pell Liability	Sub Liability	Unsub Liability
1	(b)(6); (b)(7)(C)		2011-2012	Multi-Craft	<i>Entire Program Ineligible</i>	\$ 2,497.00	\$ 1,750.00	\$ 3,000.00
2			2011-2012	Multi-Craft	<i>Entire Program Ineligible</i>	\$ 5,550.00	\$ 3,500.00	\$ 6,000.00
3			2011-2012	Multi-Craft	<i>Entire Program Ineligible</i>	\$ 5,550.00	\$ -	\$ -
4			2011-2012	Multi-Craft	<i>Entire Program Ineligible</i>	\$ -	\$ 1,750.00	\$ 3,000.00
5			2011-2012	Multi-Craft	<i>Entire Program Ineligible</i>	\$ 5,550.00	\$ 3,500.00	\$ 6,000.00
6			2011-2012	Multi-Craft	<i>Entire Program Ineligible</i>	\$ 1,110.00	\$ -	\$ -
7			2011-2012	Multi-Craft	<i>Entire Program Ineligible</i>	\$ 2,775.00	\$ -	\$ -
8			2011-2012	Multi-Craft	<i>Entire Program Ineligible</i>	\$ -	\$ 3,500.00	\$ 6,000.00
9			2011-2012	Multi-Craft	<i>Entire Program Ineligible</i>	\$ -	\$ 3,265.00	\$ 5,580.00
10			2011-2012	Multi-Craft	<i>Entire Program Ineligible</i>	\$ 2,205.00	\$ -	\$ -
11			2011-2012	Multi-Craft	<i>Entire Program Ineligible</i>	\$ 5,550.00	\$ -	\$ -
12			2011-2012	Multi-Craft	<i>Entire Program Ineligible</i>	\$ 5,550.00	\$ 3,500.00	\$ 6,000.00
13			2011-2012	Multi-Craft	<i>Entire Program Ineligible</i>	\$ 2,775.00	\$ 1,750.00	\$ 3,000.00

14	(b)(6); (b)(7)(C)	2009-2010	Multi-Craft	810/860	\$ 148.00	\$ -	\$ -
14	(b)(6); (b)(7)(C)	2010-2011	Multi-Craft	810/1160	\$ 2,928.00	\$ -	\$ -
15	(b)(6); (b)(7)(C)	2009-2010	Multi-Craft	810/860	\$ 148.00	\$ -	\$ -
15	(b)(6); (b)(7)(C)	2010-2011	Multi-Craft	810/860	\$ 154.00	\$ -	\$ -
16	(b)(6); (b)(7)(C)	2009-2010	Multi-Craft	810/885	\$ 445.00	\$ -	\$ -
17	(b)(6); (b)(7)(C)	2009-2010	Multi-Craft	810/985	\$ 1,932.00	\$ -	\$ -
18	(b)(6); (b)(7)(C)	2009-2010	Multi-Craft	810/860	\$ 148.00	\$ -	\$ -
19	(b)(6); (b)(7)(C)	2009-2010	HTM	720/885	\$ 981.00	\$ -	\$ -
20	(b)(6); (b)(7)(C)	2010-2011	PLANT	720/776	\$ 365.00	\$ -	\$ -
21	(b)(6); (b)(7)(C)	2010-2011	HVAC	810/870	\$ 370.00	\$ -	\$ -
22	(b)(6); (b)(7)(C)	2010-2011	HVAC	810/870	\$ 370.00	\$ -	\$ -
23	(b)(6); (b)(7)(C)	2010-2011	HVAC	810/870	\$ 130.00	\$ -	\$ -
23	(b)(6); (b)(7)(C)	2011-2012	HVAC	810/870	\$ 240.00	\$ -	\$ -
24	(b)(6); (b)(7)(C)	2010-2011	HVAC	810/870	\$ 370.00	\$ -	\$ -
25	(b)(6); (b)(7)(C)	2009-2010	Medical Assisting	900/1130	\$ 1,367.00	\$ -	\$ -
26	(b)(6); (b)(7)(C)	2009-2010	Medical Assisting	900/1130	\$ 1,367.00	\$ -	\$ -
27	(b)(6); (b)(7)(C)	2009-2010	Medical Assisting	900/1130	\$ 1,355.00	\$ -	\$ -

28	(b)(6); (b)(7)(C)	2009-2010	Medical Assisting	900/1130	\$ 1,367.00	\$ -	\$ -
29	(b)(6); (b)(7)(C)	2009-2010	Medical Assisting	900/1130	\$ 1,367.00	\$ -	\$ -
30	(b)(6); (b)(7)(C)	2009-2010	Medical Assisting	900/1130	\$ 967.00	\$ -	\$ -
31	(b)(6); (b)(7)(C)	2009-2010	Medical Assisting	900/1130	\$ 1,367.00	\$ -	\$ -
32	(b)(6); (b)(7)(C)	2009-2010	Medical Assisting	900/1130	\$ 434.00	\$ -	\$ -
33	(b)(6); (b)(7)(C)	2009-2010	Medical Assisting	900/1130	\$ 613.00	\$ -	\$ -
34	(b)(6); (b)(7)(C)	2010-2011	Medical Assisting	900/1130	\$ 1,418.00	\$ -	\$ -
35	(b)(6); (b)(7)(C)	2010-2011	Medical Assisting	900/1130	\$ 1,418.00	\$ -	\$ -
36	(b)(6); (b)(7)(C)	2010-2011	Medical Assisting	900/1130	\$ 1,418.00	\$ -	\$ -
37	(b)(6); (b)(7)(C)	2010-2011	Medical Assisting	900/1130	\$ 1,418.00	\$ -	\$ -
38	(b)(6); (b)(7)(C)	2010-2011	Medical Assisting	900/1130	\$ 1,418.00	\$ -	\$ -
39	(b)(6); (b)(7)(C)	2010-2011	Medical Assisting	900/1130	\$ 1,418.00	\$ -	\$ -
40	(b)(6); (b)(7)(C)	2010-2011	Medical Assisting	900/1130	\$ 1,418.00	\$ -	\$ -
41	(b)(6); (b)(7)(C)	2010-2011	Medical Assisting	900/1130	\$ 1,406.00	\$ -	\$ -
42	(b)(6); (b)(7)(C)	2010-2011	Medical Assisting	900/1130	\$ 1,418.00	\$ -	\$ -
43	(b)(6); (b)(7)(C)	2010-2011	HTM	720/900	\$ 1,110.00	\$ -	\$ -
44	(b)(6); (b)(7)(C)	2010-2011	HTM	720/900	\$ 555.00	\$ -	\$ -

45	(b)(6); (b)(7)(C)	2010-2011	HTM	720/900	\$ 1,110.00	\$ -	\$ -
46	(b)(6); (b)(7)(C)	2009-2010	HTM	720/900	\$ 1,070.00	\$ -	\$ -
47	(b)(6); (b)(7)(C)	2009-2010	HTM	720/900	\$ 1,605.00	\$ -	\$ -
48	(b)(6); (b)(7)(C)	2009-2010	HTM	720/900	\$ 530.00	\$ -	\$ -
49	(b)(6); (b)(7)(C)	2010-2011	HTM	720/900	\$ 125.00	\$ -	\$ -
50	(b)(6); (b)(7)(C)	2010-2011	HTM	720/900	\$ 1,070.00	\$ -	\$ -
51	(b)(6); (b)(7)(C)	2010-2011	HTM	720/900	\$ 1,110.00	\$ -	\$ -
52	(b)(6); (b)(7)(C)	2010-2011	HTM	720/900	\$ 340.00	\$ -	\$ -
53	(b)(6); (b)(7)(C)	2010-2011	HTM	720/900	\$ 412.00	\$ -	\$ -
54	(b)(6); (b)(7)(C)	2010-2011	HTM	720/900	\$ 600.00	\$ -	\$ -
55	(b)(6); (b)(7)(C)	2010-2011	HTM	720/900	\$ 420.00	\$ -	\$ -
56	(b)(6); (b)(7)(C)	2010-2011	HTM	720/900	\$ 1,060.00	\$ -	\$ -
57	(b)(6); (b)(7)(C)	2010-2011	HTM	720/900	\$ 100.00	\$ -	\$ -
58	(b)(6); (b)(7)(C)	2010-2011	HTM	720/900	\$ 1,110.00	\$ -	\$ -
59	(b)(6); (b)(7)(C)	2010-2011	HTM	720/900	\$ 1,110.00	\$ -	\$ -
60	(b)(6); (b)(7)(C)	2010-2011	HTM	720/900	\$ 1,110.00	\$ -	\$ -
61	(b)(6); (b)(7)(C)	2010-2011	HTM	720/900	\$ 498.00	\$ -	\$ -

62	(b)(6); (b)(7)(C)	2009- 2010	HTM	720/900	\$ 535.00	\$ -	\$ -
63	(b)(6); (b)(7)(C)	2010- 2011	HTM	720/900	\$ 340.00	\$ -	\$ -
	(b)(6); (b)(7)(C)			<b>Total</b>	<b>\$ 86,715.00</b>	<b>\$ 22,515.00</b>	<b>\$ 38,580.00</b>

**Appendix B: Finding 1, Estimated Actual Loss Worksheet**

**Estimated  
Loss  
Formula**

<b>Enter Institution Name</b>		<u>Career &amp; Technology Education Centers of Licking County</u>			
<b>Select Institution Type</b>		<u>Public 2 Yrs or Less</u>			
<b>Select Type of Loan</b>	<b>Select Award Year</b>	<b>Enter Ineligible Loan Amount</b>	<b>Enter School CDR</b>	<b>Total Subsidy Costs</b>	<b>Estimated Loss Liability</b>
1 DL Subsidized	2011-2012	\$ 22,515.00	9.90%	5.72%	\$ 1,287.37
2 DL Unsubsidized	2011-2012	\$ 38,580.00	9.90%	-25.90%	\$ -
3					
<b>Finding 1</b>		<b>\$ 61,095.00</b>			<b>\$ 1,287.37</b>

The Estimated Actual Loss Formula (EALF) is used for only certain types of findings on ineligible FFEL and Direct Loan liabilities. The EALF estimates (1) the principal amount that has or will default; and (2) the interest and special allowance on the entire ineligible loan amount.

The EALF uses an institution's applicable cohort default rate (CDR) to estimate the amount of defaults from the ineligible principal amount. This is usually the institution's latest published CDR. Draft CDRs are not used unless there is no prior CDR.

Example: Ineligible Principal Loan Amount \$100,000  
 Cohort Default Rate 10.0%

Estimated Default Amount Due \$10,000

The EALF calculates interest and special allowance (SA), where applicable, on the entire amount of ineligible loan principal. The number of days used to calculate interest and special allowance is based on average historical data for various time periods for different types of schools.

Period	School Type	One-Year	Two-Year	Four-Year	Rate Types
Disbursement to Repayment		584	774	969	Interest & SA
Repayment to Default		418	498	619	SA
Repayment to Paid In Full		1659	1580	1712	SA

The EALF uses the actual interest rates in effect when the ineligible loans were disbursed and an annualized average of the quarterly special allowance rates in effect. The EALF divides the number of days in each time period so that changes in interest and special allowance rates are considered. The EALF also assumes that the ineligible loans were made in two disbursements after a 30-day delay.

Example for the Disbursement to Repayment Period for a Two-Year Institution (2004-05)

Variable Rate Ineligible Loans: \$40,000 subsidized and \$60,000 unsubsidized

Interest Rates: 04-05 (2.77), 05-06 (4.70), 06-07 (6.54)

SA Rates: 04-05 (1.45), 05-06 (1.55), 06-07 (0.53).

Subsidized Loan Amount (Interest and Special Allowance)

$$\begin{aligned}
 & \$40,000/2 \times (451 \times (.0422/365)) \\
 & + \$40,000/2 \times (730 \times (.0625/365)) \\
 & + \$40,000/2 \times (367 \times (.0707/365)) = \$4,964.61
 \end{aligned}$$

Unsubsidized Loan Amount (Special Allowance Only)

$$\begin{aligned}
 & \$60,000/2 \times (451 \times (.0145/365)) \\
 & + \$60,000/2 \times (730 \times (.0155/365)) \\
 & + \$60,000/2 \times (367 \times (.0053/365)) = \$1,627.36
 \end{aligned}$$



NOTE: The number of days of 774 for this time period is doubled to 1548 ( $451+730+367$ ) because the principal amount is divided by two.

Similar calculations are made for the other two periods. The total liability is the sum of the default amount with the interest and special allowance calculations for all three periods.

## Appendix C: Finding 1, Ineligible Grant Funds – Cost of Funds

### Ineligible Disbursements (Non-Loan) - Cost of Funds and Administrative Cost Allowance

Name of Institution: Career & Technology  
Education Centers of  
Licking County

No.	Description/Name	Ineligible Disbursement	Program	Disbursement Date	Return Paid Date	To ED
1	(b)(6); (b)(7)(C)	\$ 2,497.00	Pell Grant	5/9/2012	11/26/2012	\$ 13.75
2		\$ 2,775.00	Pell Grant	1/17/2012	11/26/2012	\$ 23.87
2		\$ 2,775.00	Pell Grant	7/17/2012	11/26/2012	\$ 10.04
3		\$ 2,775.00	Pell Grant	11/8/2011	11/26/2012	\$ 29.20
3		\$ 2,775.00	Pell Grant	5/9/2012	11/26/2012	\$ 15.28
5		\$ 2,775.00	Pell Grant	12/13/2011	11/26/2012	\$ 26.54
5		\$ 2,775.00	Pell Grant	5/18/2012	11/26/2012	\$ 14.60
6		\$ 1,110.00	Pell Grant	2/16/2012	11/26/2012	\$ 8.64
7		\$ 2,775.00	Pell Grant	6/11/2012	11/26/2012	\$ 12.77
10		\$ 2,205.00	Pell Grant	5/5/2012	11/26/2012	\$ 12.39
11		\$ 2,775.00	Pell Grant	1/11/2012	11/26/2012	\$ 24.33
11		\$ 2,775.00	Pell Grant	6/11/2012	11/26/2012	\$ 12.77
12		\$ 2,775.00	Pell Grant	2/16/2012	11/26/2012	\$ 21.59
12		\$ 2,775.00	Pell Grant	7/30/2012	11/26/2012	\$ 9.05
13		\$ 2,775.00	Pell Grant	1/17/2012	11/26/2012	\$ 23.87
14		\$ 148.00	Pell Grant	5/14/2010	11/26/2012	\$ 3.76
14		\$ 2,928.00	Pell Grant	6/20/2011	11/26/2012	\$ 42.12
15		\$ 148.00	Pell Grant	5/14/2010	11/26/2012	\$ 3.76
15		\$ 154.00	Pell Grant	10/22/2010	11/26/2012	\$ 3.23
16		\$ 445.00	Pell Grant	3/25/2010	11/26/2012	\$ 11.91

17	(b)(6); (b)(7)(C)	\$ 1,932.00	Pell Grant	3/25/2010	11/26/2012	\$ 51.72
18		\$ 148.00	Pell Grant	12/14/2009	11/26/2012	\$ 13.11
19		\$ 981.00	Pell Grant	3/11/2010	11/26/2012	\$ 26.64
20		\$ 365.00	Pell Grant	6/12/2011	11/26/2012	\$ 5.33
21		\$ 370.00	Pell Grant	3/15/2011	11/26/2012	\$ 6.31
22		\$ 370.00	Pell Grant	7/15/2011	11/26/2012	\$ 5.07
23		\$ 130.00	Pell Grant	6/20/2011	11/26/2012	\$ 1.87
23		\$ 240.00	Pell Grant	11/8/2011	11/26/2012	\$ 2.53
24		\$ 370.00	Pell Grant	4/8/2011	11/26/2012	\$ 6.06
25		\$ 1,367.00	Pell Grant	6/28/2010	11/26/2012	\$ 33.04
26		\$ 1,367.00	Pell Grant	6/28/2010	11/26/2012	\$ 33.04
27		\$ 1,355.00	Pell Grant	6/28/2010	11/26/2012	\$ 32.75
28		\$ 1,367.00	Pell Grant	6/28/2010	11/26/2012	\$ 33.04
29		\$ 1,367.00	Pell Grant	6/28/2010	11/26/2012	\$ 33.04
30		\$ 967.00	Pell Grant	6/28/2010	11/26/2012	\$ 23.37
31		\$ 1,367.00	Pell Grant	6/28/2010	11/26/2012	\$ 33.04
32		\$ 434.00	Pell Grant	6/28/2010	11/26/2012	\$ 10.49
33		\$ 613.00	Pell Grant	6/28/2010	11/26/2012	\$ 14.81
34		\$ 1,418.00	Pell Grant	6/20/2011	11/26/2012	\$ 20.40
35		\$ 1,418.00	Pell Grant	6/20/2011	11/26/2012	\$ 20.40
36		\$ 1,418.00	Pell Grant	6/20/2011	11/26/2012	\$ 20.40
37		\$ 1,418.00	Pell Grant	6/20/2011	11/26/2012	\$ 20.40
38		\$ 1,418.00	Pell Grant	6/20/2011	11/26/2012	\$ 20.40
39		\$ 1,418.00	Pell Grant	6/20/2011	11/26/2012	\$ 20.40
40		\$ 1,418.00	Pell Grant	6/20/2011	11/26/2012	\$ 20.40
41		\$ 1,406.00	Pell Grant	6/20/2011	11/26/2012	\$ 20.23
42		\$ 1,418.00	Pell Grant	6/20/2011	11/26/2012	\$ 20.40
43		\$ 1,110.00	Pell Grant	5/16/2011	11/26/2012	\$ 17.03

44	(b)(6)	\$ 555.00	Pell Grant	9/23/2011	11/26/2012	\$ 6.54
45	(b)(6)	\$ 1,110.00	Pell Grant	5/16/2011	11/26/2012	\$ 17.03
46	(b)(6)	\$ 1,070.00	Pell Grant	6/9/2010	11/26/2012	\$ 26.42
47	(b)(6)	\$ 1,605.00	Pell Grant	6/9/2010	11/26/2012	\$ 39.62
48	(b)(6)	\$ 530.00	Pell Grant	3/29/2011	11/26/2012	\$ 8.83
49	(b)(6)	\$ 125.00	Pell Grant	4/26/2011	11/26/2012	\$ 1.99
50	(b)(6)	\$ 1,070.00	Pell Grant	8/26/2010	11/26/2012	\$ 24.13
51	(b)(6)	\$ 1,110.00	Pell Grant	5/18/2011	11/26/2012	\$ 16.97
52	(b)(6)	\$ 340.00	Pell Grant	6/20/2011	11/26/2012	\$ 4.89
53	(b)(6)	\$ 412.00	Pell Grant	10/14/2011	11/26/2012	\$ 4.62
54	(b)(6)	\$ 600.00	Pell Grant	3/29/2010	11/26/2012	\$ 16.00
55	(b)(6)	\$ 420.00	Pell Grant	5/16/2011	11/26/2012	\$ 6.44
56	(b)(6)	\$ 1,060.00	Pell Grant	5/16/2011	11/26/2012	\$ 16.26
57	(b)(6)	\$ 100.00	Pell Grant	8/16/2010	11/26/2012	\$ 2.28
58	(b)(6)	\$ 1,110.00	Pell Grant	5/16/2011	11/26/2012	\$ 17.03
59	(b)(6)	\$ 1,110.00	Pell Grant	3/29/2011	11/26/2012	\$ 18.49
60	(b)(6)	\$ 1,110.00	Pell Grant	9/16/2011	11/26/2012	\$ 13.29
61	(b)(6)	\$ 498.00	Pell Grant	10/1/2011	11/26/2012	\$ 5.76
62	(b)(6)	\$ 535.00	Pell Grant	1/8/2010	11/26/2012	\$ 15.44
63	(b)(6)	\$ 340.00	Pell Grant	6/20/2011	11/26/2012	\$ 4.89
	<b>Total Ineligible</b>	<b>\$86,715.00</b>			<b>Totals</b>	<b>\$1,156.11</b>

10/1

(b)(7)(E)



**Accounting Document – Prior Year Monetary Recovery (AD-PYMR)**

**Institution:** Career & Technology Education Centers of Licking County

**City, State:** Newark, OH

**PRCN:** 2013-1-05-28103

**TIN:** 310793684

**DUNS:** 075033043

**Reviewer:** Jeremy Early

**Region:** Chicago

**Date:** 2/21/2013

**Section A - Use if no adjustments are being made in COD**

Programs	Type	Amount	Funding Code	Object Class
Federal Pell Grant (Closed AY)	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
ACG	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
National SMART	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
FSEOG (No FISAP Corrections)	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
FWS (No FISAP Corrections)	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
Direct Loan and Direct Loan EAL	Principal	\$1,287.37	4253XNOYR	53020 or 53010
	Interest		4253XNOYR	53040
FFEL and FFEL EAL	Interest/ SA/EAL		4251XNOYR	53020
Federal Perkins	Principal		2915RNOYR	53054

**Section B: Use if the Institution is instructed to make adjustments in COD**

Add rows if necessary			Amount			G5 Program Award # *
Pell, FWS, FSEOG, ACG, SMART, TEACH	Pell/2009- 2010	Principal	\$39,352.00	3220RNOYR	69020	P063P09
		Imputed Interest	\$261.22	1435RNOYR	64020	P063P09
Pell, FWS, FSEOG, ACG, SMART, TEACH	Pell/2010- 2011	Principal	\$28,199.00	3220RNOYR	69020	P063P10
		Imputed Interest	\$426.66	1435RNOYR	64020	P063P10
Pell, FWS, FSEOG, ACG, SMART, TEACH	Pell/2011- 2012	Principal	\$39,352.00	3220RNOYR	69020	P063P11

		Imputed Interest	\$261.22	1435RNOYR	64020	P063P11
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Comments:

\* G5 Award # (P063P104306, first 5 digits = program, next 2 digits = award year, next 4 digits = code unique to school). Note: It is important that the year in the G5 award number correspond to the award year for which any adjustments are being made, or for which the balance has been incurred (in the case of an unsubstantiated cash or negative cash balance). If the reviewer is unsure after looking in G5, contact Susan Lewey for Pell or DL, or Tremia Haythe for FWS or FSEOG.

Example of G5 award numbers for a single school for the 2009-2010 award year, Pell vs. DL:

Pell is designated by "P063P" and DL is designated by "P268K"

P063P091445 (Pell 2009-2010 award - Pell uses the final two digits of the leading award year in the award number)

P268K101445 (Direct Loan 2009-2010 award - DL uses the final two digits of the trailing award year in the award number)

Example of G5 award number for FWS and FSEOG

FWS is designated by "P033A" and FSEOG is designated by "P007A"

P033A092121 (FWS 2009-2010 award - FWS uses the final two digits of the leading award year in the award number)

P007A092121 (FSEOG 2009-2010 award - FSEOG uses the final two digits of the leading award year in the award number)

See FPRD Distribution Form for distribution information for this form and related program review documents.